

State of Michigan Agency Employee Confidentiality Notice

As an authorized employee who has been granted access to Michigan Department of Treasury (Treasury) tax return information, you may not access or disclose tax returns or tax return information without specific authority under Treasury's agreement with your agency. Access to Treasury information, both in paper and electronic form, is allowed on a **need-to-know** basis to perform your agency's official duties. Before you disclose returns or return information to other employees in your agency, they must also **need** the information to perform their official duties.

Do not access, research or change any account, file, record, or application unless required to perform your official duties. You are forbidden to access your own account, or that of a spouse, friend, neighbor, relative, or any account in which you have a personal or financial interest, or the account of a celebrity, or other public person, unless specifically instructed to do so. If you are assigned to work on one of these accounts, contact your supervisor immediately. Otherwise, **ACCESS ONLY** those accounts required to accomplish your duties. You may not confirm or deny the existence of a return or of return information to a third party.

If you prepare or are involved in the preparation of tax returns for someone other than yourself, this may constitute a **conflict of interest**. Access to Michigan tax return information that you prepared or helped prepare is not permitted. You must contact your supervisor immediately if assigned to one of these accounts. Review Civil Service Rule 2-8 to determine if a conflict of interest or other ethical violation exists.

Do not E-MAIL or FAX taxpayer information.

If you have been given authorization to access a computer system or application, you must **PROTECT your password from disclosure**. **DO NOT reveal it or share it with anyone**, regardless of his or her position in or outside your agency. Make every reasonable effort to protect your password. If you suspect someone is using your password, change your password immediately and contact your usercode manager or supervisor to report a possible security violation. Promptly report all security incidents to the Disclosure Office for investigation.

Always log off the system if you go to lunch, break, or leave your terminal for any length of time. Retrieve any hard copy prints from the printer and save or destroy appropriately. If you have tax information that must be destroyed, never discard in a wastebasket. **Place confidential tax materials in waste containers designated for confidential shred** or in a secure area until arrangements can be made to destroy such tax information.

Do not leave tax returns or tax return information unattended. Place documents in a designated, secure area during unattended periods.

Contacts from other governmental agencies. If you are contacted by a federal, state or local agency or another third party and requested to disclose Michigan tax returns or tax return information furnished to your agency under agreement with Treasury, refer these contacts to the Disclosure Officer at the Office of Policy Communications and Disclosure, 430 W. Allegan, Lansing, MI 48922. Treasury tax returns and tax return information may not be disclosed by your agency unless specifically provided for in the written agreement with your agency.

Criminal and Civil Penalties

If you make unauthorized access to or disclosure of tax returns or tax return information, you may be subject to **criminal and civil penalties** under the Michigan Revenue Act and the Internal Revenue Code (IRC). Penalties can include dismissal, fines, and imprisonment.

Agency Discipline

Absence of criminal prosecution does not prevent your agency from pursuing internal sanctions for unauthorized accessing, browsing, or disclosing state or federal tax returns or tax return information.

Michigan Penalties

MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information without authorization and without a **need to know** the information to perform official duties. Violators of §28(1)(f) are guilty of a **felony** and subject to **fines of \$5,000 or imprisonment for five years, or both** per the Michigan Revenue Act, 1941 PA 122, MCL 205.28(2). State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, 1941 PA 122, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and fined **\$1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Federal Penalties

If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony with a fine of \$5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a **felony violation** of IRC §7213A, 26 USC 7213A, subjecting the violator to a **\$1,000 fine or imprisonment for one year, or both, plus prosecution costs**. Taxpayers affected by violations of §7213A must be notified by the government and may bring a civil action against the federal government and the violator within two years of the violation. Civil damages are the **greater of \$1,000 or actual damages** incurred by the taxpayer, plus the costs associated with bringing the action, 26 USC 7431.

Each employee has the responsibility to maintain public trust. Our effectiveness depends on your continued commitment to provide quality service to the public. If you have any questions, contact the Disclosure Officer in the Office of Policy Communications and Disclosure.

Print Employee Name _____

Employee Signature _____

Department _____

Division _____

Date _____

After you read this notice, sign, date, and make a copy for your records and return the original to your supervisor.

Michigan Department of Treasury
Office of Policy Communications and Disclosure
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